APPENDIX 16.1-1a – SAMPLE CALCULATIONS

1. SAMPLE BAND CALCULATION FOR UNBUNDLED RESOURCE UNITS—EXAMPLE 1.

Resource Unit: Data Port

Monthly Baseline Volume (per Exhibit 16.1-1) = (157,155 ÷ 12) = 13,096
90% Threshold for Data Port = 90% x 13,096 = 11,787
80% Threshold for Data Port = 80% x 13,096 = 10,477
70% Threshold for Data Port = 70% x 13,096 = 9,167

Actual Annual Volume in the Contract Year
(sample for purposes of this example) = 10,000

*Since the Actual Monthly Volume falls under the 90% Threshold for Data Port and above the 70% Threshold for Data Port, the band calculation must be applied. Further, since the Actual Monthly Volume falls between the 70% Threshold for Data Port and the 80% Threshold for Data Port the Actual Monthly Volume should be multiplied by the 70% -80% band set forth in Exhibit 16.1-1 to calculate the Monthly Service Charge for Data Por*t.

Resource Unit Fee (sample for purposes of this example) = $1
70% to 80% Band Resource Unit Fee (sample for purposes of this example) = $1.05

Calculation:

(70% to 80% Band Resource Unit Fee times the Actual Monthly Volume)
= ($1.05 x 10,000)
= $10,500

Monthly Service Fee for the Data Port = $10,500

2. SAMPLE BAND CALCULATION FOR UNBUNDLED RESOURCE UNITS—EXAMPLE 2.

Resource Unit: Data Port

Monthly Baseline Volume (per Exhibit 16.1-1) = (157,155 ÷ 12) = 13,096
110% Threshold for Data Port = 110% x 13,096 = 14,406
120% Threshold for Data Port = 120% x 13,096 = 15,715
130% Threshold for Data Port = 130% x 13,096 = 17,025

Actual Annual Volume in the Contract Year (sample for purposes of this example) = 16,000

Since the Actual Monthly Volume above the 110% Threshold for Data Port and under the 130% Threshold for Data Port, the band calculation must be applied. Further, since the Actual Monthly Volume falls between the 120% Threshold for Data Port and the 130% Threshold for Data Port the Actual Monthly Volume should be

multiplied by the 120% -130% band set forth in Exhibit 16.1-1 to calculate the Monthly Service Charge for Data Port.

Resource Unit Fee (sample for purposes of this example) = $1
120% to 130% Band Resource Unit Fee (sample for purposes of this example) = $0.95

Calculation:

(120% to 130% Band Resource Unit Fee times the Actual Monthly Volume)
= ($0.95 x 16,000)
= $15,200

Monthly Service Fee for the Data Port = $15,200

3. SAMPLE CALCULATION FOR BUNDLED RESOURCE UNITS—EXAMPLE 1

Bundled Resource Units: Voice Ports and Analog Drops (the B2 bundle per Exhibit 16.1-1)

Baseline Monthly Volume for Voice Jack—Single line
(per Exhibit 16.1-1) = (95,133 ÷ 12) = 7,928
Baseline Monthly Volume for Voice Jack—Multi-line
(per Exhibit 16.1-1) = (153,404 ÷ 12) = 12,784
Baseline Monthly Volume for Analog Drops
(per Exhibit 16.1-1) = (40,097 ÷ 12) = 3,341
Bundled Baseline Monthly Volume for the B2 bundle: 7,928 + 12,784 + 3,341 = 24,053
110% Threshold for the B2 bundle = 110% x 24,053 = 26,458

Actual Monthly Volume for Voice Jack—Single line
(sample for purposes of this example) = 7,928
Actual Monthly Volume for Voice Jack—Multi-line
(sample for purposes of this example) = 12,784
Actual Monthly Volume for Analog Drops
(sample for purposes of this example) = 4,000
Bundled Actual Monthly Volume for the B2 bundle
(sample for purposes of this example) = 7,928 + 12,784 + 4,000 = 24,712

Since the Bundled Actual Monthly Volume for the B2 bundle falls below the 110% Threshold for the B2 bundle, no ARC calculation will be applied even though the Actual Volume for Analog Drops was at 120% of the Baseline Volume for Analog Drops.

4. SAMPLE ARC/RRC TRUE-UP CALCULATION FOR BUNDLED RESOURCE UNITS

Bundled Resource Units: Voice Ports and Analog Drops
(the B2 bundle per Exhibit 16.1-1)

Baseline Monthly Volume for Voice Jack—Single line
(per Exhibit 16.1-1) = (95,133 ÷ 12) = 7,928
Baseline Monthly Volume for Voice Jack—Multi-line
(per Exhibit 16.1-1) = (153,404 ÷ 12) = 12,784
Baseline Monthly Volume for Analog Drops
(per Exhibit 16.1-1) = (40,097 ÷ 12) = 3,341
Bundled Baseline Monthly Volume for the B2 bundle:
7,928 + 12,784 + 3,341 = 24,053
110% Threshold for the B2 bundle = 110% x 24,053 = 26,458
130% Threshold for the B2 bundle = 130% x 24,053 = 31,269

Actual Monthly Volume for Voice Jack—Single line
(sample for purposes of this example) = 9,500
Actual Monthly Volume for Voice Jack—Multi-line
(sample for purposes of this example) = 14,500
Actual Monthly Volume for Analog Drops
(sample for purposes of this example) = 3,000
Bundled Actual Monthly Volume for the B2 bundle
(sample for purposes of this example) = 9,500 + 14,500 + 3,000 = 27,000

Since the Bundled Actual Monthly Volume for the B2 bundle falls between the 110% Threshold and the 130% Threshold for the B2 bundle, the banding in Exhibit 16.1-1 should be applied individually to each Resource Unit in the bundle.

<u>For the Voice Jack—Single line Resource Unit:</u>

Baseline Monthly Volume (per Exhibit 16.1-1) = (95,133 ÷ 12) = 7,928
110% Threshold for Voice Jack—Single line = 110% x 7,928 = 8,721
120% Threshold for Voice Jack—Single line = 120% x 7,928 = 9,514
130% Threshold for Voice Jack—Single line = 130% x 7,928 = 10,306

Actual Monthly Volume (sample for purposes of this example) = 9,500

Since the Actual Annual Volume falls above the 110% Threshold and between the 110% Threshold and the 120% Threshold, a banding calculation must be applied.

Resource Unit Fee (sample for purposes of this example) = $2
110% to 120% Band Resource Unit Fee
(sample for purposes of this example) = $1.95

<u>Calculation:</u>

(110% to 120% Band Resource Unit Fee times the Actual Monthly Volume)
= ($1.95 x 9,500)
= $18,525

Monthly Service Fee for Voice Jack—Single line = $18,525

For the Voice Jack—Multi-line Resource Unit:

Baseline Monthly Volume (per Exhibit 16.1-1) = (153,404 ÷ 12) = 12,784
110% Threshold for Voice Jack—Multi-line = 110% x 12,784 = 14,062
120% Threshold for Voice Jack—Multi-line = 120% x 12,784 = 15,341
130% Threshold for Voice Jack—Multi-line = 130% x 12,784 = 16,619

Actual Monthly Volume (sample for purposes of this example) = 14,500

Since the Actual Annual Volume falls above the 110% Threshold and between the 110% Threshold and the 120% Threshold, a banding calculation must be applied.

Resource Unit Fee (sample for purposes of this example) = $3
110% to 120% Band Resource Unit Fee
(sample for purposes of this example) = $2.90

Calculation:

(110% to 120% Band Resource Unit Fee times the Actual Monthly Volume)
= ($2.90 x 14,500)
= $42,050

Monthly Service Fee for Voice Jack—Multi-line = $42,050

For the Analog Drop Resource Unit:

Baseline Monthly Volume (per Exhibit 16.1-1) = (40,097 ÷ 12) = 3,341
90% Threshold for Analog Drop = 110% x 3,341 = 3,007
80% Threshold for Analog Drop = 120% x 3,341 = 2,673
70% Threshold for Analog Drop = 130% x 3,341 = 2,339

Actual Monthly Volume (sample for purposes of this example) = 3,000

Since the Actual Monthly Volume falls below the 90% Threshold and between the 80% Threshold and the 90% Threshold, a banding calculation must be applied.

Resource Unit Fee (sample for purposes of this example) = $1
80% to 90% Resource Unit Fee (sample for purposes of this example) = $1.02

Calculation:

(80% to 90% Band Resource Unit Fee times the Actual Monthly Volume)
= ($1.02 x 3,000)

= $3,060

Monthly Service Fee for Analog Drop = $3,060

Total Monthly Services Fee for the B2 Bundled Resource Units = $18,525 + $42,050 + $3,060
= $63,635

END OF SCHEDULE